

FINANCIAL INTEGRITY AND STATE MANAGER'S ACCOUNTABILITY ACT
Biennial Report
For Reporting Period Due December 31, 2009

California Natural Resources Agency
San Joaquin River Conservancy
Org. Code 3830

INTRODUCTION

In accordance with the Financial Integrity and State Manager's Accountability Act (FISMA) of 1983, the San Joaquin River Conservancy submits this report on the review of the Conservancy's systems of internal controls for the biennial period ending December 31, 2009.

Any requests for additional information should be directed to:

Melinda S. Marks
Executive Officer
San Joaquin River Conservancy
5469 E. Olive, Fresno CA 93727
phone (559) 253-7324
fax (559) 456-3194
www.sjrc.ca.gov

FISMA OBJECTIVE

The objective of FISMA reporting is for the San Joaquin River Conservancy to meet its goals and objectives as best it can with the State of California resources allocated to it, by continually evaluating, strengthening, and effectively exercising internal management and administrative controls to inhibit waste, prevent unauthorized expenditures, create savings, and optimize programs.

Internal controls are the policies, procedures, practices, and organizational structures designed to provide reasonable assurance that business objectives will be achieved and undesired events will be prevented or detected and corrected. Internal controls include systematic measures (such as reviews, checks and balances, methods, and procedures) instituted to create order and efficiency; safeguard resources; deter and detect errors, fraud and theft; ensure accurate, reliable, complete, and timely financial and management information; and ensure conformance to policies, plans, and guidelines.

BACKGROUND

The San Joaquin River Conservancy was created by the Legislature to implement the San Joaquin River Parkway Master Plan. The planned Parkway includes a 22-mile regional greenspace and wildlife corridor in the river-bottom extending from Friant Dam to Highway 99, with an interconnected trail system and recreational and educational features. The Conservancy's mission includes acquiring approximately 5,900 acres from willing sellers at fair market value; operating and managing those lands for public enjoyment consistent with protection of natural resources; protecting, enhancing, and restoring riparian and riverine habitat and ecological diversity; facilitating the development of the Parkway; and garnering public support to secure its future.

The programs of the Conservancy are:

Acquire Parkway Land: Evaluate, negotiate, and secure donations and/or grants for the acquisition of the highest priority properties currently offered for sale within the Parkway.

Develop Habitat Enhancement, Public Access, and Recreation Capital Improvement Projects: Direct projects and partner with other agencies and non-profit organizations to invest Conservancy bond funds in high-priority public access and recreation projects, where those projects will be operated and maintained by the partnering entity.

Operate and Manage the Parkway: Develop—through cooperative projects, public and political support, stewardship agreements, leases, and other opportunities—long-term strategies for operating and maintaining the Parkway.

Organizational Environment

The Conservancy is governed by a regional board consisting of 12 representatives of state and local governments and 3 local citizens appointed by the Governor. Staff consists of an Executive Officer, Executive Secretary, and Staff Services Analyst/Associate Government Program Analyst.

There are no vacant positions as of preparation of this report (Government Code §12439).

Attachment 1: Organizational Chart

Internal Processes and Controls

The Conservancy board has the authority to authorize bond funding for land acquisitions and projects; approve prices (not to exceed fair market value), terms, and conditions for land acquisitions; approve scopes of work, budgets, and interagency agreements for capital improvement projects; authorize service agreements, leases, and concessions; and set priorities, policies, regulations, standards, and guidelines. The Executive Officer directs, reviews, and approves all staff reports and recommendations to the Conservancy board, and is responsible for carrying out the programs, projects, plans, and policies of the board.

The Executive Officer has sole signing authority for agreements, land transaction documents, payments, personnel actions, and budget and capital outlay plan documents. The Executive Officer, and in her absence the budget officer (Department of Parks and Recreation), must sign timesheets and mileage claims. All purchases are approved in advance by the Executive Officer. All contract, bidding, and informal quotes are secured in compliance with the State Contracting Manual and under the direction, review, and approval of the Executive Officer. Projects may be coordinated by any of the Conservancy staff, consistent with job duties and level of responsibility, under the general or direct supervision of the Executive Officer.

Staff meets approximately monthly to review the status, progress, and deadlines for projects and tasks; review budget status and project expenditures; and to discuss

complaints/service requests from the public, program needs, etc. All projected, pending, and actual expenditures are tracked on an on-going spreadsheet.

Support Services, Processes, and Controls

The Conservancy falls within the Natural Resources Agency, and receives policy guidance and directives from the office of the Secretary of Natural Resources.

Through an annual service agreement with the Conservancy, the California Department of Parks and Recreation (DPR) provides direct services and advisory assistance for: fiscal services (systems, payables, cashiering, general ledger); budgets (development, enactment, administration); bond balance and expenditure reporting; personnel (recruitment, transactions/payroll, benefits, timekeeping, classification; training; position control, examinations, personnel reference manuals); workers' compensation, health and safety; procurement and Cal-Card; contract processing; and audit defense support. Services are provided at a flat annual fee.

Conservancy staff reviews fiscal documents and database reports to ensure accuracy for Conservancy accounts. Conservancy staff consult with DPR staff as necessary to ensure compliance with state procedures and policies.

Attachment 2: DPR Administrative Services Agreement

The Fresno Metropolitan Flood Control District (FMFCD) has an annual agreement with the Conservancy to provide three office spaces at the District's incremental cost of additional utilities and janitorial services. The District provides the use of fax machines, metered postage, copiers, and phones at cost. The District provides hourly services for occasional graphics, mapping, information systems, and clerical support at cost. Copies, postage, phone use and hourly services are itemized on monthly invoices.

Attachment 3: FMFCD Agreement

The California Attorney General's Office, Department of Justice, provides to the Conservancy hourly legal counsel services. Services are itemized on monthly invoices. Staff routinely consults with legal counsel to ensure compliance with laws and regulations; confer regarding the development of Conservancy policies, guidances, and practices; and address the potential for illegal activities on Conservancy lands. Legal counsel participates in negotiations for land transactions, assists in the development of contracts and agreements, and is present at all meetings of the Conservancy board.

Bond Fund Program/Capital Outlay Processes and Controls

The Conservancy has developed processes and evaluation criteria for determining the land acquisitions and capital improvement projects to implement in developing the San Joaquin River Parkway Master Plan.

Attachment 4: Project evaluation, selection, and authorization flow chart.

Conservancy staff are closely involved in developing scopes of work and budgets for each capital outlay project, recommend projects for authorization by the Conservancy board, and remain involved in project monitoring throughout the project and post-project.

The Conservancy's capital outlay bond funds are appropriated in the Wildlife Conservation Board's (WCB) annual budget for use at the Conservancy's discretion. Project administration and control responsibilities of the WCB and Conservancy are closely coordinated and are the direct result of the departments' formal duties to conduct the mandated programs and ensure the appropriate use of bond funds. Projects authorized by the Conservancy board are recommended to the WCB for approval. WCB staff inspect all project sites before recommending them to the WCB, while in progress (if the project duration is relatively long), and at close-out. WCB land agents are intimately and actively involved in Conservancy land acquisitions, visiting sites, resolving title issues, negotiating with owners, and preparing all transaction documents. The WCB and Conservancy confer frequently—no less often than quarterly when the WCB prepares routine internal status reports—on the scope, budget, and progress of all projects. Final payment is not released by WCB unless and until the project is satisfactorily completed, the Conservancy and WCB have reviewed and approved a final report, and completion is confirmed by WCB and Conservancy inspections.

The WCB provides all bond fund fiscal accounting. The WCB fiscal section and Conservancy Executive Officer confer on a frequent basis—no less often than when a new project is proposed or fiscal report is due (such as annual capital outlay Budget Change Proposals, Finance Letters, etc.). The Conservancy coordinates with WCB to report its land assets on the Department of General Services Real Property Inventory and fixed asset reports.

The Conservancy is included as a party to the WCB grant agreement whenever the Conservancy is the underlying property owner for the project. The Conservancy reviews and recommends WCB approval (as appropriate) of grantees' invoices whenever it is a party to the grant agreement. The Conservancy ensures that the work reports included in the invoices accurately reflect the work to date.

Attachment 5: WCB Agreement

Facilities and Land Management Processes and Controls

The Conservancy is responsible for monitoring and managing its lands and facilities. The Conservancy provides fire prevention, security, stewardship, protects conservation values, and provides public access where possible.

The Conservancy maintains a number of contractual agreements to enhance management of its conservation lands and public facilities. Several properties have lessees or rental tenants. A public fishing site is operated by a concessionaire. Two parks are operated by service agreements with DPR Millerton Lake State Recreation Area (MLSRA) and the City of Fresno Parks and Recreation Department. Access licenses are granted to individuals and organizations that can provide proper supervision, insurance, and indemnification to provide stewardship and educational services on Conservancy lands.

RISK ASSESSMENT

The Executive Officer is responsible for identifying administrative and management risks within the organization. The FISMA report was drafted by the Executive Officer and

reviewed by staff for additional ideas and comments. Two external reviews of Conservancy processes are also described below.

Greatest strengths of the organization:

The Conservancy has established the following (among many measures) to institutionalize equity, fairness, conscientious public service, and cost-effective, efficient, and timely projects:

- The Conservancy's small staff allows for internal efficiencies, close oversight, and close coordination; staff formally meets monthly to coordinate work and discuss planned expenditures, and discusses work on a daily basis.
- Efficient agreements and partnerships have been established with DPR, FMFCD, WCB, MLSRA, City of Fresno, other member agencies, and licensees; costs for interagency and nonprofit services are below, and sometimes extremely well below, market costs.
- Programs and work activities are guided by the vision, goals, objectives and policies of the adopted San Joaquin River Parkway Master Plan.
- Collaborative project review, evaluation, and prioritization among partners and member agencies have been established; strong Board and interagency committee involvement have been institutionalized.
- Successful, cooperative practices have been established between the Conservancy and WCB to implement bond fund projects. The Department of Finance audit (draft findings 3/09) determined the Conservancy and the WCB awarded and expended funds in compliance with applicable legal requirements and established criteria. The Conservancy is closely involved in all bond fund project phases, including review of grantees' progress, quality of work, scopes, and budgets, and its bond fund projects benefit from the professional experience, fiscal controls, project management, and grant and transaction administration of the WCB.
- An annual review is performed with the Conservancy board of accomplishments in implementing the Master Plan.
- The capital improvement plan (5-year capital outlay plan) is updated annually.
- Increased lease revenue and an approved Budget Change Proposal (FY 09-10) to enhance property and facility management have been secured.
- An Operational Recovery Plan has been completed and approved.
- No fiscal data entry is performed by staff; staff has read-only access to fiscal schedules. In the future, it is anticipated that staff will directly input data related to timekeeping and travel expense claims.
- Computer, internet, and email security is accomplished through the FMFCD backup, firewall, and virus protection systems; procedures have been established for password protection and time-outs.
- Measures have been implemented to protect confidential records: redacted personal information on hard copies; no personal records are stored on computers; locks on filing cabinets; originals with personal information are only maintained at DPR; personnel and conflict of interest records that are no longer required to be maintained have been shredded.
- Guidances, criteria and procedures have been developed for: bond fund project evaluation and selection, Parkway brand marketing, facility donations and naming, design standards adapted from DPR, and grants for land acquisitions.

- Conservancy board staff reports and approved minutes provide a detailed documentation trail of all project authorizations, policies, and discretionary actions.
- All records are kept in central cross-indexed hard copy files and shared computer directory files, providing project documentation, contracts and agreements, project and authorization histories, and contract management and fiscal tracking.

Greatest vulnerabilities of the organization:

The Conservancy has identified the following potential risks, evaluated below:

- Shallow organizational structure.
- Minimal internal staff resources for field oversight of lands, lessees, and service providers.
- Potential liabilities related to limited resources for land management.
- Inadequate internal staff resources for timely accomplishment of goals, including developing Parkway-wide operations, maintenance, and management.
- Potential budget and services impacts of the eventual expiration of FMFCD agreement.

Two external audits (both currently in draft) identified the following potential risks:

- The Department of Finance bond fund audit draft finding identified that the Conservancy and WCB have not formally defined their respective roles and responsibilities in writing.
- A Federal Highways Administration Construction Contractor Payment Review identified potential non-compliance for the California Department of General Services' (DGS) oversight and management of the Conservancy's Friant Cove project. The project was constructed by DGS on the Conservancy's behalf, with Conservancy bond and FHWA grant funds, and on Conservancy land. DGS performed the work through a project management and funding agreement with WCB.

Evaluation of Risks:

No conditions of potential fraud, waste, budget overruns, unauthorized expenditures, noncompliance with service agreements, improper grant reimbursements or ineligible grant expenditures, or improper rental, lease or concession payments have been identified by the Conservancy. The following are the greatest risks identified in this review, and are addressed in the attached corrective action plan.

- Shallow organizational structure. An extended absence or vacancy could impact the capability of the remaining staff to perform the full range of work. The Conservancy internally has only one position with decision or signing authority over day-to-day operations, payments, and approvals. When the Executive Officer is unavailable or the position is vacant, the board chair, deputy secretary within the Natural Resources Agency, or legal counsel may be designated to provide signing authority. There is minimal internal succession capability.

Corrective Action: The Conservancy is preparing a desk top office procedures manual to ensure that all necessary authorizations, processes and procedures will be followed in the event of an extended absence or vacant position.

- Minimal internal staff resources for field oversight of licensees, lessees, service providers, and a concessionaire. Commercial lessees pay minimum flat-rate monthly rentals on long term leases; therefore there are no opportunities for the lessees to underpay the Conservancy. Licensees have developed a history of well-supervised and high-quality activities, and they closely communicate and coordinate with the Conservancy. Government service providers are well supervised within their organizations and provide a high standard of quality services; the Conservancy has received no complaints from the public about these services.

The objective of the concession agreement is to continue to provide public services at a long-established, previously privately operated public fishing site. The terms of the agreement are designed to allow the concessionaire to break even. The concessionaire pays the Conservancy 2% of gross user fees, and 2% of net bait shop sales profits. The concessionaire is required to provide monthly reports of proceeds, and an annual auditable financial statement. Total gross income from the concession agreement was approximately \$29,000 for 2008; the total revenue to the Conservancy was less than \$600. Although there is a potential for underreporting income and underpayment to the Conservancy, the amount would be insignificant, relative to the cost of much greater oversight.

Corrective Action: Facilitated by an approved Budget Change Proposal for FY 09-10, the Conservancy is implementing service agreements to establish a greater field presence. As of July 1, 2009, the Conservancy requires licensees to complete a formal site condition report/inspection form after each activity on Conservancy property. Measures enabled by the FY 09-10 BCP are being implemented with the goal of one visit per month to Conservancy lands, service providers, lessees, and the concessionaire. With regard to the concessionaire, in addition to once per month site visits, the Conservancy will perform at least once per year spot checks of the user fee receipt books. The Conservancy provided the concessionaire a template for the annual financial statement submitted May 2009.

- Potential liabilities related to limited resources for land management. Perhaps the biggest potential liabilities to the Conservancy lie in the potential for wildland fire damage to neighboring development, transient occupation, and illegal dumping/illegal activities on Conservancy lands generally closed to public use. The Conservancy has been aggressive in removing uninhabitable structures to prevent their use by transients or illicit drug operations.

Corrective Action: Facilitated by an approved Budget Change Proposal for FY 09-10, the Conservancy is implementing service agreements to establish a greater field presence and to supplement policing activities of the enforcement agencies. The funds will also be used to clean up illegal dumping and continue weed and brush management for fire abatement in the highest priority areas.

- Inadequate internal staff resources for timely accomplishment of goals, including developing Parkway-wide operations, maintenance, and management. The Conservancy must manage its resources to optimize the accomplishment of

mandated program goals, and continue to increase its capacities when possible. The Conservancy monitors progress and sets priorities annually. It has increased its program delivery capability by securing the approval of two bond-funded program delivery staff (one at SJRC and one at WCB beginning FY 09-10), and increased its property management capacity through an approved BCP for FY 09-10. No further corrective actions are foreseen at this time.

- Potential budget and services impacts of the eventual expiration of FMFCD agreement. The effect of the eventual termination of the FMFCD agreement will have a significant effect on the fiscal resources, staff time, and support services currently readily available to the Conservancy. Market costs for the three office spaces would far exceed the \$200 per month, total, that the Conservancy currently pays. The impact of securing a copy machine, fax machine, phones, and other office equipment will be extensive during the start-up year, and operation and maintenance costs will be greater. The mapping, computer, and graphic support services cannot be readily replaced. The FMFCD has not indicated that the space occupied by the Conservancy will need to be vacated in the next two years.

Corrective Action: The Conservancy must begin to plan for the transition to full market cost conditions for its offices and office equipment, providing at least three years to analyze impacts and make adjustments in managing the operating budget.

Two external program audits identified the following potential risks:

- DOF bond fund audit identified that the Conservancy and WCB have not defined their respective roles and responsibilities in writing.

Attachment 6: DOF Bond Fund Program Audit report and Conservancy response.

Corrective Action: As recommended in the DOF audit, the Conservancy is developing and implementing a project inspection form, and has prepared and executed a Memorandum of Understanding with the WCB to define the agencies' roles and responsibilities and to define the duties of Conservancy program delivery staff at WCB (see Attachment 5).

- Federal Highways Administration Construction Contractor Payment Review audit alleges non-compliance for the California Department of General Services' oversight and management of the Friant Cove project, constructed on the Conservancy's behalf, with Conservancy bond and FHWA grant funds, and on Conservancy land. DGS performed the work through a project management and funding agreement with WCB. FHWA has indicated that its findings will result in the Conservancy being ineligible for reimbursement by the FHWA grant.

The Conservancy's delegated authorities do not include design and construction of major capital improvements, so it must rely on the professional capacities and control capabilities of the Department of General Services or other construction

management agencies (Caltrans, Department of Water Resources, or local agencies).

The Conservancy and DGS are appealing the findings.

Attachment 7: FHWA Construction Contractor Payment Review, Conservancy response to draft findings (without attachments).

Corrective Action: The Conservancy will take into account its project management capacity and develop cooperative strategies with construction management agencies (DGS, DWR), before proceeding with complex outside grants and major capital improvement projects.

CONCLUSION

The Conservancy's internal controls are adequate, its operations are closely managed and readily transparent, its fiscal resources are managed efficiently, it has secured cost-effective partnerships, and it has involved the Conservancy board, stakeholders, member agencies, and the public in its decision-making.

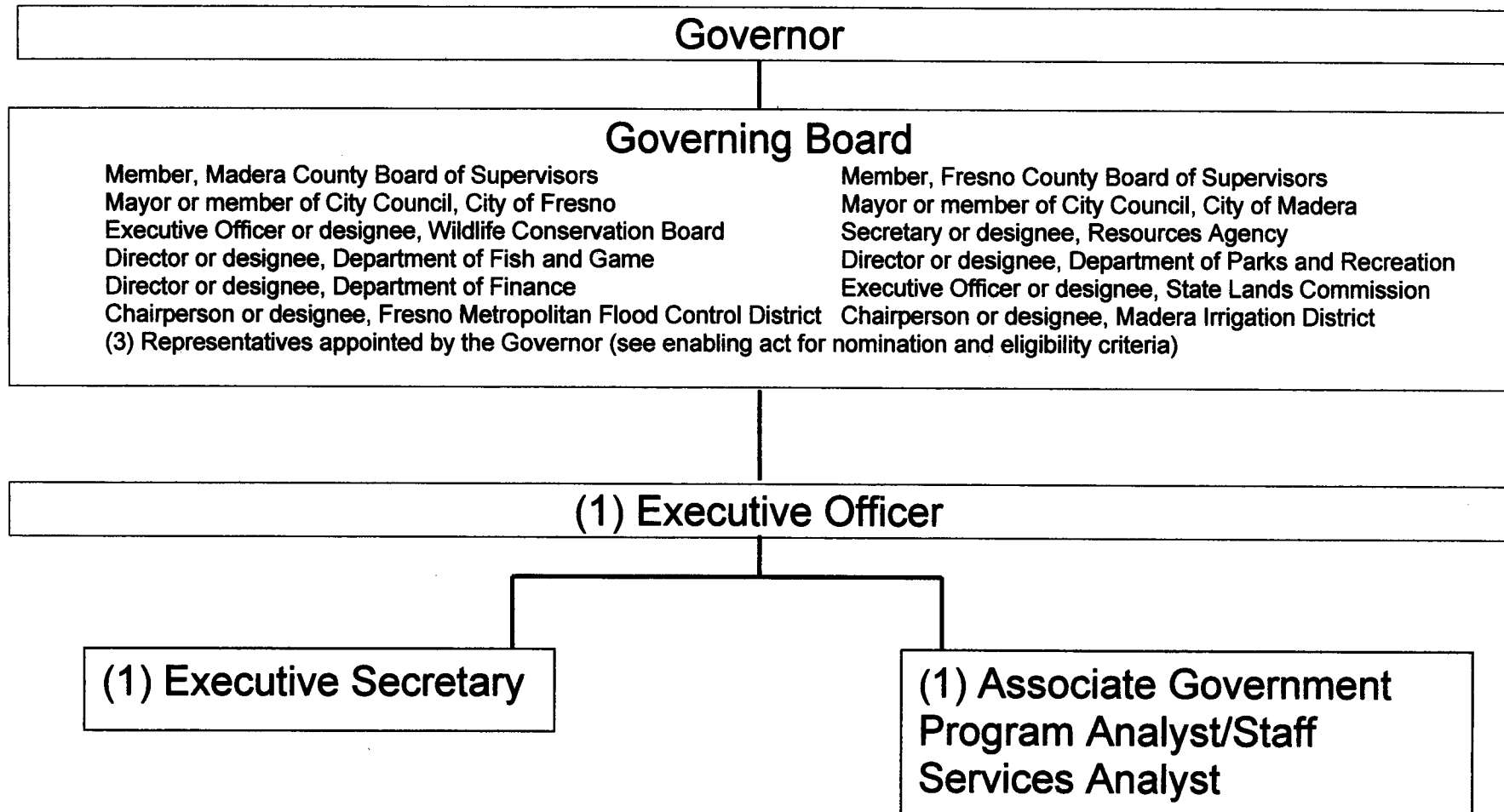
Identified Risks and Corrective Action Plan

Date of Report: (Send to DOF every six months until all risks are addressed)	December 31, 2009		
Control Vulnerabilities	Corrective Actions Taken	Corrective Actions to be Taken	Date of Action/Planned Action
Small Staff: Potential disruptions in functions and services upon absence or leaving service	Preparing desktop office manual of all routine business and administrative authorizations, processes, and procedures		November 30, 2009
Minimal resources for oversight of lessees and licenses	Increased field visits and documentation of activities, facilitated by FY 09-10 BCP		July 1, 2009
Sycamore Is. Concession: potential to underreport proceeds, potential noncompliance with service agreement	Provided template for annual financial statement, due May 1		April 15, 2009
Sycamore Is. (cont.)		Performing spot check of user fee receipts	February 2010 – November 2010
Sycamore Is. (cont.)	Monthly field visits, facilitated by FY 09-10 BCP		July 1, 2009
Conservancy lands: potential for liabilities associated with illegal dumping, transient use of vacant structures, wildland fire	Increased property management services and programs, facilitated by FY 09-10 BCP		July 1, 2009
Conservancy lands (cont.)	Development of inspection forms, increased field visits and documentation of site conditions, facilitated by FY 09-10 BCP		July 1, 2009
Impact on budget of future market-rate costs for office space, equipment, and support services		Plan for transition	June 30, 2010
Bond Fund Projects: Potential to improve project inspection documentation	Development of inspection forms, increased field visits and documentation of site conditions, facilitated by FY 09-10 BCP		July 1, 2009
Bond Fund Projects: Potential to improve coordination and ensure proper oversight	Development of MOU between Conservancy and WCB to define roles and responsibilities		August 28, 2009

Construction management: Very limited capacity to oversee construction management services provided by state construction management agencies for complex projects; limited capacity to oversee complex construction grant requirements		The Conservancy will take into account its project management capacity and develop cooperative strategies with construction management agencies (DGS, DWR), before proceeding with complex grants and major capital improvement projects.	On-going
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San Joaquin River Conservancy
Organizational Chart
FY 09/10

Total PYs for Department = 3



300.1
300.220
✓ 140.6

AGREEMENT NUMBER CSJR0719
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and Contractor named below:

STATE AGENCY'S NAME

San Joaquin River Conservancy

CONTRACTOR'S NAME

Department of Parks and Recreation

2. The term of this Agreement is: July 1, 2007 through June 30, 2010

3. The maximum amount of this Agreement is: \$ 45,000.00

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A - Scope of Work	1 page(s)
Exhibit A, Attachment 1	5 page(s)
Exhibit B - Budget Detail and Payment Provisions	1 page(s)

Exhibit C* - General Terms and Conditions	GIA 101
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Check mark one item below as Exhibit D:

<input type="checkbox"/> Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	page(s)
<input type="checkbox"/> Exhibit - D* Special Terms and Conditions	

Exhibit E - Additional Provisions	pages
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Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

Department of Parks and Recreation

BY (Authorized Signature)

DATE SIGNED (Do not type)

Steve Bonifant, Manager
Contracts Services Unit

3/18/09

ADDRESS

P.O. Box 942896, Sacramento, CA 94296-0001

STATE OF CALIFORNIA

AGENCY NAME

San Joaquin River Conservancy

BY (Authorized Signature)

DATE SIGNED (Do not type)

Melinda Marks, Executive Officer

3-18-09

PRINTED NAME AND TITLE OF PERSON SIGNING

Melinda Marks, Executive Officer

ADDRESS

5469 East Olive Avenue, Fresno, CA 93727

California Department of General
Services Use Only

**D.G.S. APPROVAL
NOT REQUIRED**

Attachment 2
FISMA Report
San Joaquin River Conservancy
December 31, 2009

EXHIBIT A
(Interagency Agreement)

SCOPE OF WORK

1. The Department of Parks and Recreation (DPR) agrees to provide the following services:
The Department of Parks and Recreation shall provide administrative services to Conservancy in accordance with Exhibit A, Attachment 1, which by reference is made a part hereto. DPR is the processing agent only for said administrative services. DPR will provide support and work cooperatively with Conservancy to address and correct any and all non-compliance findings or allegations. Conservancy shall remain the responsible party for compliance with any and all applicable laws, codes, and control agency policies and shall answer to any audit findings.
2. The project representatives during the term of this Agreement will be:

Requesting Agency:	San Joaquin River Conservancy	Providing Agency:	Parks and Recreation
Attention:	Melinda Marks, Executive Officer	Attention:	Sherry Thompson
Phone:	(559) 253-7324	Phone:	(916) 651-0943
Fax:	(559) 456-3194	Fax:	(916) 651-0440

Direct all inquiries to:

Requesting Agency:	San Joaquin River Conservancy	Providing Agency:	Department of Parks and Recreation
Section/Unit:	Executive Office	Section/Unit:	Budget Office
Attention:	Candyce Rogers	Attention:	Sherry Thompson
Address:	5469 East Olive Avenue	Address:	1416 Ninth Street, Room 1057
City/State/Zip Code:	Fresno, CA 93727	City/State/Zip Code:	Sacramento, CA 95814
Phone:	(559) 253-7324	Phone:	(916) 651-0943
Fax:	(559) 456-3194	Fax:	(916) 651-0440

EXHIBIT A, ATTACHMENT 1

Detailed Scope of Work

The Department of Parks and Recreation will provide the following services:

I. FISCAL SERVICES

Fiscal Systems:

- ◆ Set up PCA's
- ◆ Set up funding sources based on SCO records

Payables:

- ◆ Encumber contracts and grants
- ◆ Make payments via claim schedule – provide copies to Conservancy
- ◆ Process travel claims
- ◆ Process revolving fund checks
- ◆ Process purchase authority purchase orders
- ◆ Process open commodity purchases
- ◆ Maintain accounting archives
- ◆ Field auditors' questions
- ◆ Submit annual Late Payment Penalties Report to DGS

Cashiering:

- ◆ Receive checks a number of times each month
- ◆ Prepare report of collections several times each month
- ◆ Post incoming checks to proper PCA
- ◆ Deposit funds to bank
- ◆ Reconcile Conservancy's portion of bank statements monthly
- ◆ Process and issue refunds

General Ledger:

- ◆ Reconcile all activity of the appropriations monthly with Calstars and SCO
- ◆ Remit cash to bank
- ◆ Post journal entries to Calstars including payroll
- ◆ Prepare year end statements
- ◆ Invoice other entities on Conservancy's behalf
- ◆ Invoice Conservancy for DPR activities
- ◆ Verify fund availability before claim schedules are sent to SCO
- ◆ Close fiscal months and order month-end reports and remitting reports
- ◆ Respond to SCO if questions or year end problems arise
- ◆ Respond to auditors' questions
- ◆ Certify accounting practices in Management Representation Letter

II. BUDGETS

DPR Conservancy Liaison

Budget Development:

- ◆ Prepare Budget Change Proposals
- ◆ Prepare Capital Outlay BCPs
 - Five year plans
 - Reversions
 - Reappropriations
- ◆ Prepare Support BCPs
- ◆ Prepare Governor's Budget Galley
- ◆ Prepare Planning Estimates and related Budget Letter submittals
- ◆ Prepare Salary and Wages Galley
- ◆ Write Budget Bill Language
- ◆ Prepare Supplementary Schedules

Budget Enactment:

- ◆ Track legislative hearing and prehearing dates and inform Conservancy
- ◆ Attend hearings and prehearings on behalf of Conservancy when Conservancy staff is not available
- ◆ Respond to Department of Finance drills
- ◆ Respond to Legislative Analyst Office drills and inquiries from Legislative staff

Budget Administration:

- ◆ Set up Calstars allocations (original and annual), identify PCA's and provide to Accounting/Fiscal Systems
- ◆ Reconcile expenditures to SCO and Calstars
- ◆ Generate expenditure reports
- ◆ Distribute expenditure reports to Conservancies
- ◆ Retrieve information for invoice preparation
- ◆ Assist in posting incoming funds to proper PCA
- ◆ Assist in grant processing
- ◆ Log receipt of grant certification coversheet
- ◆ Ensure funds necessary for grant are encumbered
- ◆ Ensure invoices against grant agreement are paid
- ◆ Track encumbered grant balances

III. BONDS

Assist with various bond related requirements:

- ◆ Allocation balance reporting
- ◆ Semi-annual expenditure reporting

IV. PERSONNEL

Selection:

- ◆ Recruitment as appropriate
- ◆ Advertise vacant positions through the Department's Career Opportunity Bulletin and the State Personnel Board's VPOS
- ◆ Accept applications and refer eligible candidates to appropriate hiring authority

Transactions/Benefits:

- ◆ Key all Employment History, Appointments/Separations and Payroll Transactions through the State Controller's Office and the Department's Human Resources Information System
- ◆ Orient all employees to civil service regarding benefits and responsibilities with regard to civil service employment
- ◆ Process benefits
- ◆ Coordinate all aspects of payroll, including the release of payroll
- ◆ Coordinate Non-Industrial Disability issues
- ◆ Coordinate probationary reports, Appraisal and Development Plan/Career Development Plan
- ◆ Maintain official personnel files
- ◆ Maintain leave balances

Timekeeping:

- ◆ Provide staff to coordinate timekeeping and to be point of contact for timekeeping issues

Classification and Pay:

- ◆ Assist with the analysis of appropriate classification allocation
- ◆ Assist with Adverse Action document preparation
- ◆ Coordinate FPPC/Form 700 process for conservancy employees
- ◆ Assist with DPR 81's for hiring

Training:

- ◆ Communicate training availability
- ◆ Communicate mandatory training
- ◆ Provide basic training on Human Resources related roles and functions

Position Control:

- ◆ Establish new positions
- ◆ Maintain Position Control data
- ◆ Reconcile the annual Schedule 8 and submit to the Department of General Services, Contract and Fiscal Services
- ◆ Establish new payroll headers
- ◆ Certify annual payroll headers for new year
- ◆ Reestablish vacant positions as permitted

Examinations:

- ◆ Administer examinations as required and appropriate
- ◆ Participate on Examination Panels

Personnel Reference Materials:

- ◆ Provide resource materials, as appropriate

V. WORKERS' COMPENSATION/HEALTH AND SAFETY

- ◆ Assist with Workers' Compensation Issues including claims management, settlement processing, and payment of claims
- ◆ Assist with and communicate Health and Safety issues and requirements

VI. PROCUREMENT/CAL-CARD

- ◆ Set up and issue CalCards and review monthly charges
- ◆ Review Purchase Authority Purchase Orders to be sure the delegation authority is met
- ◆ Provide copies of Purchase Authority Purchase Orders to DGS
- ◆ Review open commodity purchases (DPR 117) as open or against a purchase authority purchase order
- ◆ Review requests for revolving funds (DPR 61)
- ◆ Answer miscellaneous purchasing questions
- ◆ Apply for yearly Conservancy purchase delegation authority from DGS
- ◆ Offer training for purchasing delegation compliance

(All payments are issued through Accounting)

VII. CONTRACT PROCESSING

- ◆ Evaluate contracts for compliance with state requirements
- ◆ Review and process service-related contracts, equipment repair and formal contracts (DPR 117 & DPR 285)
- ◆ Ensure sufficient amount and time frame for funds needed
- ◆ Ensure funds are encumbered by Fiscal Services

VIII. GENERAL CONDITIONS

- ◆ Provide Conservancy staff audit defense support

IX. SERVICES NOT PROVIDED:

DPR services specifically exclude, but are not limited to:

- ◆ Legal Services
- ◆ Property Management
- ◆ Convening and staffing of hiring and examination panels, meeting diversity goals, completing statistical rating reports
- ◆ Timely submission of benefits documents, probationary reports, Appraisal and Development Plans/Career Development Plans
- ◆ Coordination of Unemployment Insurance
- ◆ Posting all required notices and benefits and wages to conform with state and federal law
- ◆ Ensuring timesheets are completed and submitted timely
- ◆ Monitoring sick leave and vacation usage and balances
- ◆ Reporting employee dock time
- ◆ Monitoring workplace safety, conducting tailgate safety sessions regularly ensuring ergonomically correct workstations, and providing appropriate furniture
- ◆ Funding payment of Workers' Compensation claims
- ◆ Conducting special projects as they relate to position identification and allocation
- ◆ Documenting and presenting drafted adverse actions for review and comment
- ◆ Labor Relations
- ◆ 25-year awards and retirement certificates
- ◆ EEO complaints
- ◆ Human Rights training
- ◆ Conflict of interest for board members
- ◆ Grants – award procedures, legal review and monitoring of compliance and payments
- ◆ Contracts – initiation, legal review, monitoring of compliance and payments
- ◆ Capital Outlay oversight, management and project authorizations per SAM

EXHIBIT B
(Interagency Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, San Joaquin River Conservancy agrees to compensate the Department of Parks and Recreation the amount of Fifteen Thousand Dollars (\$15,000.00) per year.
- B. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than monthly in arrears to:
Melinda Marks, Executive Officer
San Joaquin River Conservancy
5469 East Olive Avenue
Fresno, CA 93727
- C. Absent a written and signed amendment, the total amount payable under this agreement shall not exceed Forty-five Thousand Dollars (\$ 45,000.00), including all applicable taxes and other expenses.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Payment

- A. Costs for this agreement have been negotiated based on funding availability.
- B. Nothing herein contained shall preclude advance payments pursuant to Article 1, Chapter 3, Part 1, Division 3, Title 2 of the Government Code of the State of California.

AGREEMENT NUMBER

CSJR 0902

REGISTRATION NUMBER

281029002

1. This Agreement is entered into between the State Agency and Contractor named below:

STATE AGENCY'S NAME

San Joaquin River Conservancy

CONTRACTOR'S NAME

Fresno Metropolitan Flood Control District

2. The term of this Agreement is: July 1, 2009 through June 30, 2010

3. The maximum amount of this Agreement is: \$ 10,000.00

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A - Scope of Work - Administrative, technical, janitorial services

1 page

Exhibit B - Budget Detail and Payment Provisions

2 pages

including Exhibit B, Attachment 1

Exhibit C* - General Terms and Conditions

GTC 307

Check mark one item below as Exhibit D:

☒
☐

Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)

2 page(s)

Exhibit - D* Special Terms and Conditions

0

Exhibit E - Additional Provisions

1 page

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

Fresno Metropolitan Flood Control District

BY (Authorized Signature)

Bob Van Wyk

DATE SIGNED (Do not type)

5-14-09

PRINTED NAME AND TITLE OF PERSON SIGNING

Bob Van Wyk, General Manager

ADDRESS

5469 E. Olive Ave
Fresno, CA 93727

STATE OF CALIFORNIA

AGENCY NAME

San Joaquin River Conservancy

BY (Authorized Signature)

Melinda S. Marks

DATE SIGNED (Do not type)

5-26-09

PRINTED NAME AND TITLE OF PERSON SIGNING

Melinda S. Marks, Executive Officer

ADDRESS

5469 E. Olive Avenue
Fresno, CA 93727

California Department of General
Services Use Only

Attachment 3
FISMA Report
San Joaquin River Conservancy
December 31, 2009

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. Contractor agrees to provide to the San Joaquin River Conservancy administrative, technical, and field support services and the use of three office spaces as described in item 5 below:
2. The services shall be performed at:
FMFCD offices located at 5469 E. Olive Ave, Fresno, CA 93727, and at properties owned by the State of California, San Joaquin River Conservancy.
3. The services shall be provided during:
Normal working hours, or during periods of operation as mutually agreed by the representatives named below.
4. The project representatives during the term of this Agreement will be:

State Agency:	San Joaquin River Conservancy	Contractor:	Fresno Metropolitan Flood Control District
Section/Unit:		Section/Unit:	
Attention:	Melinda Marks	Attention:	Bob Van Wyk
Address:	5469 E. Olive Ave	Address:	5469 E. Olive Ave
City/State/Zip Code:	Fresno, CA 93727	City/State/Zip Code:	Fresno, CA 93727
Phone:	(559) 253-7324	Phone:	(559) 456-3292
Fax:	(559) 456-3194	Fax:	(559) 456-3194

5. Description of work to be performed and duties of all parties are as follows:

The Fresno Metropolitan Flood Control District (FMFCD) shall provide to the San Joaquin River Conservancy administrative, technical, and field support services in support of the policies and programs of the Conservancy. Services include but are not limited to layout and graphics, mapping, information technology support, fire prevention assistance, other occasional field services, and technical services provided on an as-needed and as-available hourly basis at the rate of hourly wages, plus benefits and direct costs such as mileage, plus 10% administration.

The Fresno Metropolitan Flood Control District (FMFCD) shall provide to the San Joaquin River Conservancy the use of a maximum of three office spaces within a facility owned by FMFCD located at 5469 E. Olive Ave, Fresno, CA 93727, at the cost of incremental janitorial services and utilities (water, sewer, garbage, electrical, etc.) for \$66.67 per office space per month, shared use of office equipment (postage, copies, scanning, conference call services, incidental supplies, etc.) and any special janitorial services related directly to the Conservancy's use of the facilities plus 10% administration. Services reports may be requested by the Conservancy.

The Contractor or the Conservancy may propose informal changes or revision to the Scope of Work (SOW) provided such changes do not alter the basic purpose of this agreement. Such informal SOW changes shall not affect the maximum budget and therefore shall not require a formal amendment to this agreement; however, all informal changes in the SOW are subject to prior written approval of the Conservancy.

EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the FMFCD for actual expenditures incurred in accordance with the rates specified in the Budget Detail, marked Exhibit B, Attachment 1, which is attached hereto and made a part of this Agreement.
- B. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than monthly in arrears to:
San Joaquin River Conservancy
5469 E. Olive Avenue
Fresno, CA 93727
- C. Absent a written and signed amendment, the total amount payable under this Agreement shall not exceed Ten thousand dollars and no cents (\$ 10,000.00), including all applicable taxes and other expenses.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

4. Timely Submission of Final Invoice

- A. A final undisputed invoice shall be submitted for payment no more than ninety (90) calendar days following expiration or termination date of this Agreement, unless a later or alternate deadline is agreed to in writing by the project representative. Said invoice should be clearly marked "Final Invoice," thus indicating that all payment obligations of the State under this Agreement have ceased and that no further payments are due or outstanding.
- B. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline. Written State approval shall be sought from the project representative prior to the expiration or termination date of this Agreement.

Exhibit B - Attachment 1
Budget Detail
July 1, 2009 through June 30, 2010

I. Rates and Budget:

For services described in Exhibit A, Scope of Work, item 5, the Conservancy shall pay the Fresno Metropolitan Flood Control District:

- for shared use of office equipment, \$66.67 per office space per month and any special janitorial services related directly to the Conservancy's use of the facilities plus 10% administration, and
- for administrative, technical, and field support services at the rate of hourly wages, plus benefits and direct costs such as mileage, plus 10% administration.

II. Allowable line item shifts:

- A. Line item shifts may be made, provided the annual contract total is not changed.
- B. Line item shifts meeting this criterion shall not require a formal contract amendment.
- C. Line item shifts may be proposed/requested by either the Conservancy or the Contractor, and must be approved mutually by the Conservancy and Contractor contract managers in writing.

III. Disencumbrance:

At the discretion of the Conservancy, unexpended funds encumbered for services under this contract may be entirely or partially disencumbered, and the maximum not to exceed the budget reduced accordingly.

**EXHIBIT D — PUBLIC ENTITY
(Standard Agreement)**

SPECIAL TERMS AND CONDITIONS

1. Disputes

Unless otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement which cannot be resolved informally shall be decided by the following two-step procedures.

Contractor must provide written notice of the particulars of such disputes to the Project Manager or his/her duly appointed representative. The Project Manager must respond in writing within ten (10) working days of receipt of the written notice of dispute. Should Contractor disagree with the Project Manager's decision, Contractor may appeal to the second level. Pending the decision on appeal, Contractor shall proceed diligently with the performance of this agreement in accordance with the Project Manager's decision. The second level appeal must indicate why the Project Manager's decision is unacceptable, attaching to it Contractor's original statement of the dispute with supporting documents, along with a copy of the Project Manager's response. The second level appeal shall be sent to the Deputy Director of Administrative Services or his/her duly appointed representative. The second level appeal must be filed within fifteen (15) working days of receipt of the Project Manager's decision. Failure to submit an appeal within the period specified shall constitute a waiver of all such right to an adjustment of this agreement. The Deputy Director or designee shall meet with Contractor to review the issues raised. A written decision signed by the Deputy Director or designee shall be returned to Contractor within fifteen (15) working days of the receipt of the appeal.

2. Termination for Convenience

State reserves the right to terminate this agreement subject to 30 days written notice to Contractor. Contractor may submit a written request to terminate this agreement only if State should substantially fail to perform its responsibilities as provided herein.

3. Force Majeure

Except for defaults of subcontractors, neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of the offending party. Such acts shall include but shall not be limited to acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight embargo, public regulated utility, or governmental statutes or regulations superimposed after the fact. If a delay or failure in performance by Contractor arises out of a default of its subcontractor, and if such default of its subcontractor, arises out of causes beyond the control of both Contractor and subcontractor, and without the fault or negligence of either of them, Contractor shall not be liable for damages of such delay or failure, unless the supplies or services to be furnished by subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule.

4. Forced, Convict, and Indentured Labor

No foreign-made equipment, materials, or supplies furnished to State pursuant to this agreement may be produced in whole or in part by forced labor, convict labor, or indentured labor. By submitting a bid to State or accepting a purchase order, Contractor agrees to comply with this provision of this agreement.

**EXHIBIT D — PUBLIC ENTITY
(Standard Agreement)**

Fresno Metropolitan Flood
Contractor's Name: Control District
Agreement Number: CSJR 0902
Page: 2 of 2

5. Potential Subcontractors

Nothing contained in this agreement or otherwise, shall create any contractual relation between State and any subcontractors, and no subcontract shall relieve Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Contractor. Contractor's obligation to pay its subcontractors is an independent obligation from State's obligation to make payments to Contractor. As a result, State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

6. Priority Hiring Considerations for Contracts with a Value of \$200,000

If the resulting agreement will have a total value of \$200,000 or more, Contractor is hereby advised that it will be obligated to give priority consideration in filling vacancies in positions funded by the resulting agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200. This requirement shall not interfere with or require a violation of a collective bargaining agreement, a federal affirmative action obligation for hiring disabled veterans of the Vietnam era, or nondiscrimination compliance laws of California and does not require the employment of unqualified recipients of aid.

7. Intellectual Property

Any works developed during and/or pursuant to this agreement by Contractor, including all related copyrights and other proprietary rights therein, as may now exist and/or which hereafter come into existence, shall belong to State upon creation, and shall continue in State's exclusive ownership upon termination of this agreement. Contractor further intends and agrees to assign to State all right, title and interest in and to such materials as well as all related copyrights and other proprietary rights therein.

Contractor agrees to cooperate with State and to execute any document or documents that may be found to be necessary to give the foregoing provisions full force and effect, including but not limited to, an assignment of copyright.

Contractor agrees not to incorporate into or make the works developed, dependent upon any original works of authorship or Intellectual Property Rights of third parties without first (a) obtaining State's prior written permission, and (b) granting to or obtaining for State a nonexclusive, royalty-free, paid-up, irrevocable, perpetual, world-wide license, to use, reproduce, sell, modify, publicly and privately display and distribute, for any purpose whatsoever, any such prior works.

8. Contractor's Duties, Obligations and Rights

Contractor is hereby apprised that California Public Contract Code Section 10335 through 10381 are applicable relative to Contractor's duties, obligations, and rights in performing the agreement.

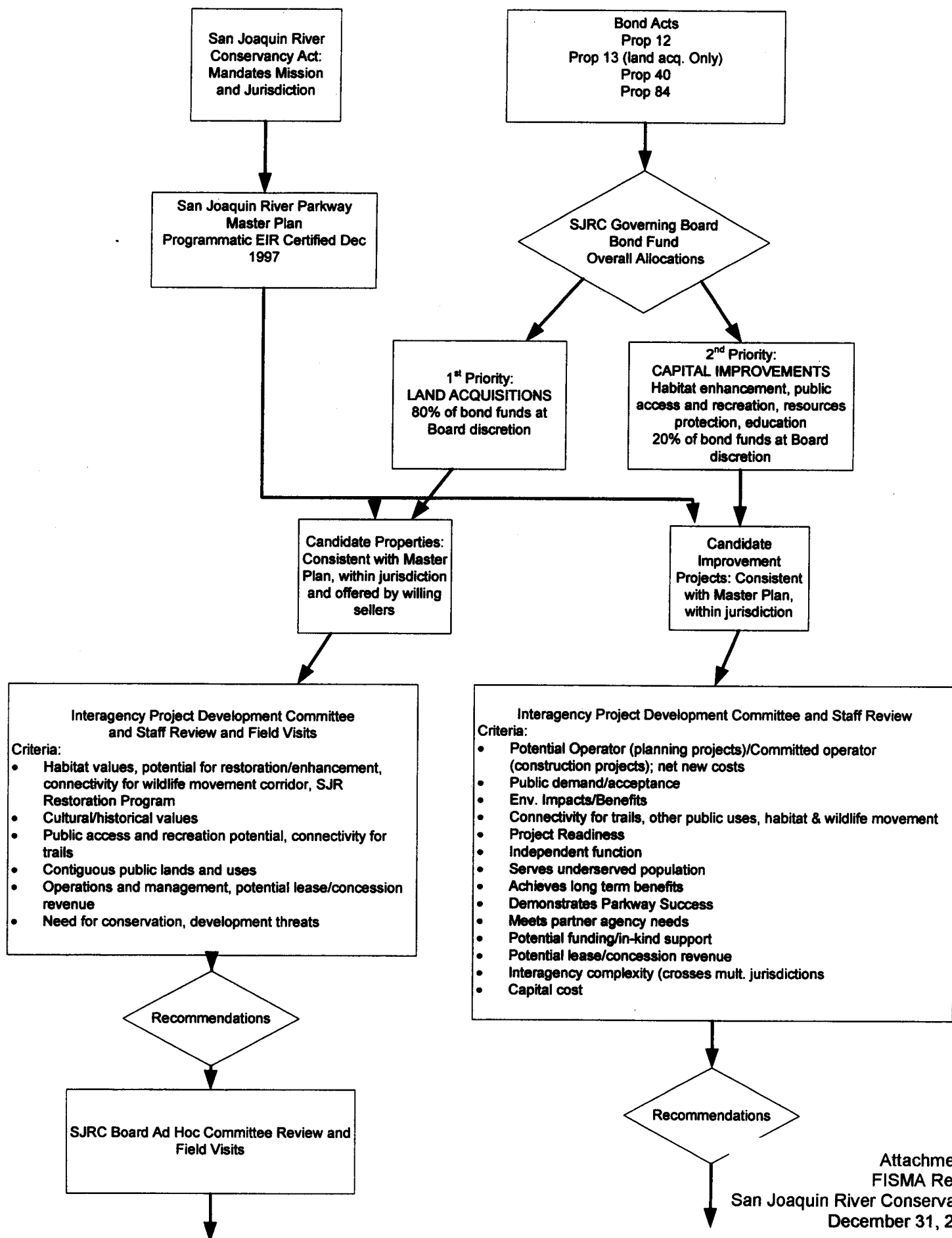
EXHIBIT E
(Special Provisions)

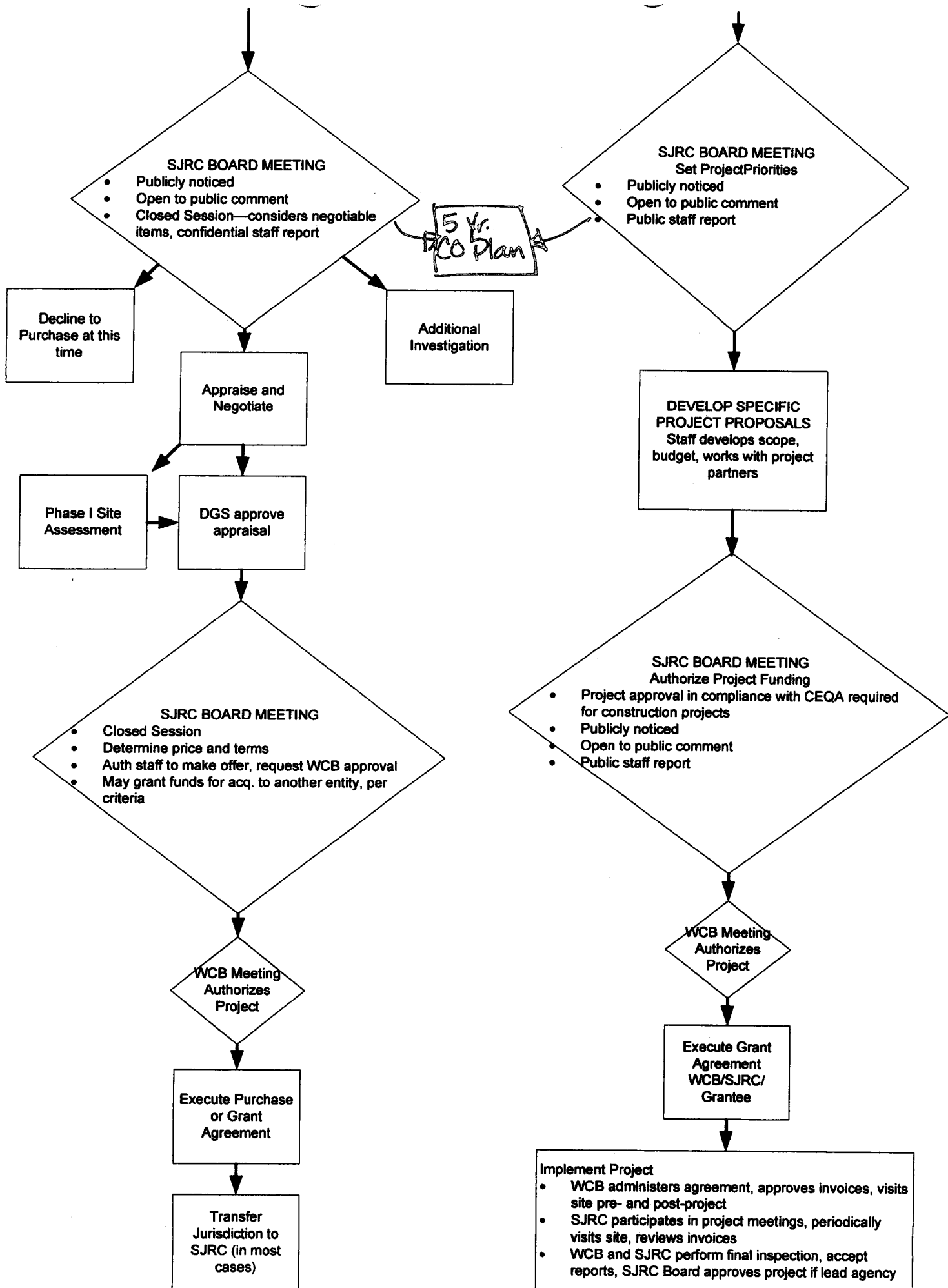
INDEMNIFICATION

To the fullest extent permitted by law, the State agrees to be responsible for any and all injuries, damages, and claims to persons or property arising out of its use of the District's facilities, except for any such claims arising out of the negligence or willful misconduct of the District or its directors, officers, agents, employees and authorized volunteers. The State agrees to defend, hold harmless, and indemnify the Contractor, its directors, officers, agents, employees, and authorized volunteers against any and all such injuries, damages, and claims. The indemnification agreement shall not be restricted to any insurance proceeds.

The State shall be liable, to the extent allowed by law and subject to California Government Code, Division 3.6, providing for the filing of tort claims against the State, for personal injuries or property damage resulting from the negligent or wrongful act or omission of any state employee while acting within the scope of this or her employment, arising out of this Agreement.

SJRC Project Selection and Authorization





300.1
200.90

Memorandum of Understanding
Between the San Joaquin River Conservancy and
the Wildlife Conservation Board for
Coordination, Implementation, and Monitoring of
Capital Outlay Acquisitions and Projects

This Memorandum of Understanding is made and effective as of August 28, 2009, by and between the San Joaquin River Conservancy and the California Wildlife Conservation Board.

Whereas, the San Joaquin River Conservancy is a regionally governed state agency mandated to develop and implement the San Joaquin River Parkway Master Plan; and

Whereas, funds have been specifically authorized in several parks and resources bond acts for the Conservancy's capital outlay programs; and

Whereas, these capital outlay funds have been appropriated to the Wildlife Conservation Board with specific provisions that the funds appropriated in the line items are provided to achieve the mission of the San Joaquin River Conservancy, and that any acquisitions or improvements undertaken or grants provided from these funds shall be at the direction of and require approval by the San Joaquin River Conservancy; and

Whereas, San Joaquin River Conservancy funds have also been appropriated to the Wildlife Conservation Board to fund program delivery staff to assist in the implementation of San Joaquin River Conservancy capital outlay acquisitions and projects; and

Whereas, the San Joaquin River Conservancy and the Wildlife Conservation Board have developed cooperative and collaborative processes to select, develop, implement, and provide accounting for capital outlay acquisitions and projects.

Now therefore, the San Joaquin River Conservancy (Conservancy) and the Wildlife Conservation Board (WCB) hereby formalize their procedures and processes, and define their respective roles in expending funds appropriated on behalf of the Conservancy and in implementing acquisitions and projects for the San Joaquin River Parkway, by agreeing as follows:

1. Planning

All Conservancy capital outlay projects shall be in conformance with the San Joaquin River Parkway Master Plan and Program Environmental Impact Report approved and certified by the Conservancy governing board in compliance with the California Environmental Act (CEQA) in 1997 and any subsequent updates of that plan. Subject to the processes described herein, capital outlay funds may be expended to perform project-specific CEQA reviews and analyses.

The Conservancy shall prepare annual Five Year Capital Outlay Plans, with assistance of the WCB.

2. Budgeting

The Conservancy shall prepare Capital Outlay Concept Papers, Capital Outlay Budget Change Proposals, Capital Outlay Finance Letters, and other budget requests with assistance of the WCB. The WCB shall identify when Conservancy capital outlay funds must be re-appropriated, and shall prepare the re-appropriation request.

The WCB shall assist the Conservancy in reviewing and ensuring the accuracy of galleys, budget bills, and schedules.

3. Prioritization, Selection, and Development

The Conservancy shall lead capital outlay project prioritization, selection, and development of each scope of work and budget. Land acquisitions and capital improvement projects shall be evaluated and prioritized by the Conservancy's interagency partners, stakeholder committees, ad hoc board committees, and the Conservancy governing board. The Project Selection and Authorization Process, including the criteria used to prioritize projects, is shown on Exhibit A.

4. Authorizations

Both the Conservancy governing board and WCB must approve in advance the grantee, scope of work, and budget for all state bond fund expenditures appropriated to the WCB for the Conservancy.

5. Capital Improvement Grants and Agreements

Bond funds for habitat enhancement, public access and recreation projects within the Parkway may be authorized by the Conservancy and awarded by the WCB directly to the Conservancy for its use pursuant to state contracting and procurement procedures and authorities. Funds for Parkway projects may also be awarded by the Conservancy and WCB to local agency and nonprofit partners.

The WCB shall prepare, execute, and administer interagency agreements and grant agreements to implement Conservancy projects. Any agreement for a project that will take place on Conservancy property shall include the Conservancy as a party to the agreement. The scope of work and budget approved by the Conservancy may be further refined by the WCB in developing the agreement. All sources of funds for the project shall be identified in the agreement.

The Conservancy shall routinely work with and guide contractors and local assistance grantees throughout the life of all projects and act as a liaison among agencies when necessary. The Conservancy shall review and comment on the funded projects' environmental reviews and permit applications, site plans, revegetation plans, public recreation feature designs, and other planning and construction documents. The Conservancy shall inspect the projects at major milestones and assist in troubleshooting. When the Conservancy is lead agency pursuant to the California Environmental Quality Act for a project, it shall be the compliance monitor for the Mitigation Monitoring and Reporting Program. For projects constructed on the Conservancy's lands, the Conservancy shall prepare and execute easements, construction access licenses, and project management agreements.

The WCB shall perform at a minimum, pre-project site visits, interim visits as necessary to consider changes in scopes or budgets, and a final inspection in conjunction with the Conservancy to certify project completion. The WCB shall ensure that grant funds are spent in accordance with the approved scope and budget. The WCB shall receive, review, and approve project invoices, which shall include brief project progress reports. Payment requests must include a certification by the grantee that each expense complies with requirements outlined in the grant agreement. Grantees must also submit supporting documentation for each expense, with reimbursements approved only for eligible expenses pursuant to program guidelines and contained within the approved project budget.

A project's scope of work or authorized total budget may only be changed with the prior approval of the Conservancy board and the WCB.

6. Land Acquisitions

Land acquisitions for the San Joaquin River Parkway shall be within the Conservancy's planning jurisdiction. All of the lands acquired to date have been held in state ownership and managed by the Conservancy or other state agencies. The Conservancy and WCB may award funds to assist local agency and nonprofit partners in acquiring lands, where this would more effectively accomplish Parkway development and management objectives, pursuant to guidelines adopted by the Conservancy. All lands shall be purchased from willing sellers at no more than fair market value as established by independent appraisers.

Working in conjunction with the Conservancy, WCB land agents shall secure appraisals, site assessments, and surveys; review title documents; prepare purchase agreements and other transaction documents; secure Department of General Services approvals; and provide professional guidance to ensure accurate, legal, and clear title to acquired properties. WCB land agents shall participate with the Conservancy in negotiations with property owners and shall provide strategic and procedural advice. Legal assistance shall be secured from WCB attorneys, the Conservancy's legal counsel at the Department of Justice, the Department of General Services, and the State Lands Commission as necessary.

In accordance with the Brown Act, the Conservancy shall consider the price and terms of the purchase in closed session. All negotiations shall remain confidential. The price and terms of the purchase shall remain confidential until they are presented to the Wildlife Conservation Board for approval.

Following the close of escrow, final bond fund expenditures for project planning (appraisals, environmental assessments, title and escrow fees) and the purchase price shall be totaled and accounted for by the WCB. All funding sources and amounts for each purchase shall be documented by the WCB. The WCB shall process Transfers of Jurisdiction to transfer purchased lands to the Conservancy for long term management.

7. Post-Project Inspection and Maintenance

The Conservancy shall be responsible for long term monitoring throughout the life of WCB/Conservancy projects to ensure each project is operated in conformance to the objectives of the grant and consistent with the San Joaquin River Parkway Master Plan.

Post-project inspections shall be documented by the Conservancy. If any project is potentially in noncompliance with post-project operations and maintenance requirements, the Conservancy shall work with the WCB and the grantee to determine and effect a remedy.

8. Program Delivery

One full time equivalent WCB program delivery staff funded by Conservancy funds appropriated in the WCB budget shall to the extent practicable be dedicated full time to implementing Conservancy programs and projects. WCB staff shall coordinate with the Conservancy Executive Officer, and shall work toward accomplishing the capital outlay priorities of the Conservancy. WCB staff shall frequently communicate with property owners, grantees, appraisers, and interagency personnel engaged in Conservancy projects, to facilitate and document progress, prevent and address potential delays or overruns, and ensure conformance to grant requirements. WCB staff shall perform grant site visits and meet with grant project managers no less often than quarterly, and may request Conservancy site visits and inspections as necessary to follow-up. WCB staff shall provide monthly reports of tasks and activities to the Conservancy Executive Officer.

9. Fiscal Services

The WCB shall: set up fiscal systems, accounts, and funding sources; maintain accounts and track balances of bond fund sources and the allocations for each project; manage payables, encumber agreements, perform transfers, and make payments; maintain accounting archives; maintain the General Ledger, post entries, prepare statements, invoice grantees and contractors, and maintain claim schedules; and secure reversions of unexpended funds. The WCB shall prepare all bond fund fiscal reports, in consultation with the Conservancy and post SJRC project awards to bond funding websites.

10. Record Keeping and Archives

The Conservancy shall to the extent practicable maintain the permanent archive of documents for all WCB/Conservancy projects, from conception to completion, and post-project. The WCB shall provide to the Conservancy, or shall have the grantee or contractor provide, copies of all authorizations; agreements; deeds, escrow instructions, title reports, maps and other real property documents; work products; approved invoices; and final closure/inspection reports. The WCB shall maintain its records relating to Conservancy projects as required by law, regulation, and WCB practices and procedures.

11. This Memorandum of Understanding shall continue in effect until terminated or amended in writing, by mutual agreement of both parties.

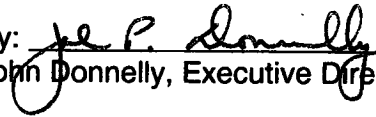
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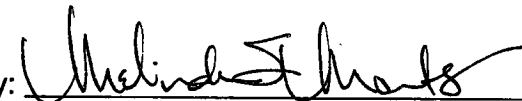
In witness whereof, the parties have executed this Memorandum of Understanding as of the date first above written.

STATE OF CALIFORNIA, WILDLIFE CONSERVATION BOARD

By: 
John Donnelly, Executive Director

Date: 8/28/09

STATE OF CALIFORNIA, SAN JOAQUIN RIVER CONSERVANCY

By: 
Melinda S. Marks, Executive Officer

Date: AUGUST 18 2009

120.10



DEPARTMENT OF
FINANCE

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 17, 2009

Ms. Melinda Marks, Executive Officer
San Joaquin River Conservancy
5469 E. Olive Ave
Fresno, CA 93727

Dear Ms. Marks:

Final Report—Audit of San Joaquin River Conservancy's Proposition 12, 13, and 40 Bond Funds

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its audit of the Proposition 12, 13, and 40 bond funds of the San Joaquin River Conservancy (Conservancy) as of June 30, 2007.

Our draft report was issued February 27, 2009. The Conservancy agreed with the audit finding and its response has been incorporated into this report. In accordance with Finance's policy of increased transparency, this report will be placed on our website.

We appreciate the Conservancy's assistance and cooperation during the audit. If you have any questions regarding this report, please contact Diana Antony, Manager, or Sherry Ma, Supervisor, at (916) 322-2985.

Sincerely,

David Botelho, CPA
Chief, Office of State Audits and Evaluations

Enclosure

cc: Mr. Bryan Cash, Deputy Assistant Secretary, Resources Agency
Ms. Julie Alvis, Deputy Assistant Secretary, Resources Agency
Mr. John Donnelly, Executive Director, Wildlife Conservation Board
Ms. Cheryl Taylor, Budget Officer, Department of Parks and Recreation
Ms. Marilyn Evans-Jones, Budget Manager, Department of Parks and Recreation

Attachment 6
FISMA Report
San Joaquin River Conservancy
December 31, 2009